

### Australian Finance (AFG: \$A1.81)

Australian Finance increases Wednesday September 23, 2020  
16:00 AEST

Australian Finance Group Ltd (ASX:AFG), Australia's 10th largest Bank by market cap, has increased 1.50c (0.8%) from its previous trading session to close at \$A1.81. Compared with the All Ordinaries Index which rose 137.8 points (2.3%) in the day, the relative price change was -1.5%.

There were 446,115 shares worth \$A809,699 traded today. The volume was 0.4 times the average daily trading volume of 1.2 million shares.

#### Figure 1: Stock Identifiers

<b>ISIN</b>	AU000000AFG9
<b>PermID</b>	4297973525

#### Fig 2: Stock Summary

<b>52-Week Range</b>	87.19c-\$A2.96
<b>Market Cap</b>	\$A487.1 million
<b>Shares Outstanding</b>	268,382,396
<b>EPS Growth (%)</b>	13.3
<b>Relative Strength (3 mo)</b>	34

#### Fig 3: Technical Indicators

Name	Value	Comment
RSI	56.7	Neutral
MACD	0.04	Buy
William % R	-42.6	Neutral
MFI	69.3	Neutral

#### Fig 4: Moving Averages

Name	Value	Comment
P/MAP20	1.02	Price/MAP20 above 1 and rising
P/MAP50	1.07	Price/MAP50 above 1 and rising

### Bullish Signals

#### Uptrend

Fig 5: Price/Moving Average Price and MACD:

- The Moving Average Convergence Divergence (MACD) indicator of 12-day Exponential Moving Average (EMA) of 1.8 minus the 26-day EMA of 1.76 is positive suggesting a bullish signal. Both the 12-day EMA as well as the 26-day EMA are rising, another bullish signal.
- The price to 50-day EMAP ratio is 1.1, a bullish indicator. In the past 50 days this ratio has exceeded 1.1, 11 times suggesting further upside. The 50-day EMAP has increased to \$A1.72. An increase is another bullish indicator.

Past Week:

- Australian Finance is placed 487/1525 in BuySellSignals' ranking of Australian performers in the past week, a percentile ranking of 68.
- In the past week, volume was 0.9 times average and the shares were up 1.7%.

Past Month:

- The present value of AUD1,000 (PV1000) invested one month ago in Australian Finance is \$A1,076, comprising a capital gain of \$A47 and dividend reinvested of \$A28.

PV\$1000	1-week	1-month
AFG.ASX	1,017	1,076
All Ordinaries Index	995	995

Fig 6: High Price Performance Indicators and rank of Australian Finance in the Australian market:

Description	AFG Value	Rank In Market
Today's Trading Turnover	\$A809,699	In Top 15%
Volatility %	2.1	In Top 22%
MCap	\$A487.1 million	In Top 22%

#### Undervaluation [compared with sector average]

Price/Earnings and Earnings Yield:

- Price/Earnings of 10.7. The P/E of 10.7 plus annual inflation in the Australia of -0.3% adds up to 10.4, well within the value benchmark Rule of 19.
- Earnings yield of 9.4% is 10.4 times the 10-year bond yield of 0.9%.

Dividend Yield:

- The relative yield of AFG, defined by its yield of 5.6%, divided by average yield of dividend yielding stocks in the All Ordinaries Index of 4.8% is 117.1%. This suggests Australian Finance stock is undervalued in dividend yield terms.

MCap/Total Assets:

- Tobin's Q Ratio, defined as MCap divided by Total Assets, is 0.1. Compared with the rest of the market the stock is undervalued and ranks in the top 1% of stock by value of Q Ratio.